



Facultat de Ciències Jurídiques  
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**SAN ISIDRO CASTELLON**  
**Marketing Plan 2019 – 2020**

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## **1. EXECUTIVE SUMMARY**

This is a Marketing Plan that has been carried out by a student from the University Jaume I of Castellón, taking the fourth course of the Degree in Business Administration and Management. The student also worked for this company while doing the project so, much internal information was mention in the plan. The objective of this plan is to propose a series of actions through which the company will be able to achieve the objectives set for the season 2019 - 2020, based on a deep and exhaustive internal and external analysis.

The marketing plan is done for the agricultural cooperative San Isidro from Castellón. This company is now in a process of diversification in order to grow in the local market because of the bad prospects in the agricultural sector.

This plan proposes seven actions for the cooperative, almost all of the actions go in the same direction of the company supporting the process of diversification. The actions suggested are about expanding the garden and the food market and also about doing some social activities for the community. All the actions have a control responsible and an exhaustive budget. A timetable is shown in order to make clearer the plan during the season.

After the actions, there's an estimation of the benefits expected for the marketing plan.

At the end there's a conclusion with final recommendations for the farthest future and a list for the references used in the assignment.

## **2. INTERNAL ANALYSIS**

The internal analysis will explain the company and for that, a brief introduction will be used. Also, during this part of the analysis it will be shown the resources and capabilities of the business. At the end, it will be marked the goals of the organisation and a brief summary will be in it.

### **2.1 Company introduction**

The company was started as an association for farmers on the 21th of May in 1896. The company was conceived and founded by Antonio Vicent Dolç. The creation was an answer to the needs of the agricultural community to gather as one and push forward the sector that in that period was the main one in the region. Later on, in late years of the XX century they created the saving bank called “Caja de Ahorros San Isidro” but this unit of the company disappeared during the crisis between 2008 and 2011. The main warehouses and the office are now placed on Cuadra Borriolench number 4, but they also have and small office in the centre of the town to do some of the courses and meetings they promote.

San Isidro is now an agricultural cooperative focused on offering services for the farmers related to the primary sector, also they have a small supermarket that was started around five years ago and a garden shop in which they offer products for both professionals and casual farmers that can vary from phytosanitary products to the fruit tree itself. Thus, there are three business units in the company that help obtain 90% of the revenue and also, they get similar percentage of costs each.

San Isidro is an independent company but with a very closely relation with INTERCOOP, this is an aggrupation of more than 150 cooperatives from all the Valencian community with the main goal of leading the innovation in the industry. This has its own advantages and disadvantages that will be discussed further.

INTERCOOP acts as the main supplier for San Isidro, for every kind of products they sell.

The different aspect of the cooperative is that is not an average one. The cooperatives are used to gather all the production from its members and then they sell that all together in order to get better conditions. But San Isidro main goal is not selling products from its members but serving them agricultural services to support their production. Apart from their three main businesses they also act as an energy provider for electricity and fuel. They recently added an insurance service for farmers to secure their production from bad weather.

Figure 1. San Isidro's main activities



Source: [www.sanisidrocastellon.com](http://www.sanisidrocastellon.com)

### 2.1.1 Mission, vision and values

As they display in the web<sup>1</sup>, San Isidro's **mission** is to offer to Castellón inhabitants every kind of agricultural product or service within a continuous innovation to achieve a sustainable and profitable agriculture.

The **vision** that San Isidro has is to be the commercial and professional reference in the cooperative sector in the area they are, Castellón. With that, they want to be a key engine in the economic, social and cultural progress of the region.

San Isidro has its own core **values**, which are: **quality, innovation, transparency** and **respect for the environment**.

All these aspects create a culture that influences the day by day in the company making the business focus on innovation in the primary sector and with a local oriented production and service. Their main target when deciding their focus and business

<sup>1</sup> [www.sanisidrocastellon.com](http://www.sanisidrocastellon.com)



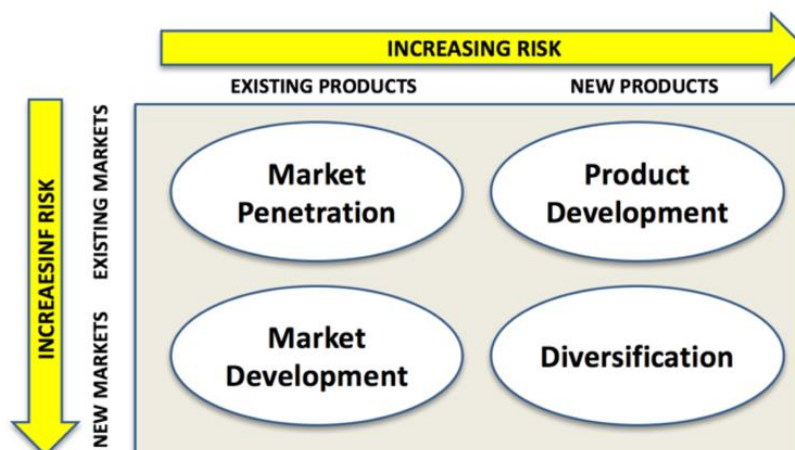
mission are their members and its with them that they cooperate to bring the improvements to the rest of the community.

### 2.1.2 Actual strategies

There are many strategies that a company can follow, and these ones may vary depending on the focus they want to have and which part of the business they want to push forward. First, for San Isidro it will be explained the main one, their strategy used to growth

San Isidro started in the middle of 2014 a new strategy as an answer to the challenges that they knew they had to face in the future that we are living right now. Thus, they planned and come up with a strategy of related – diversification. This kind of strategy is defined by Ansoff in his matrix of growth strategies<sup>2</sup> and means that the company uses new products for new markets with the particularity that these new markets and products are related to the ones that are managed by the company in the previous moments to the growth.

Figure 2. Ansoff's matrix for growth strategies



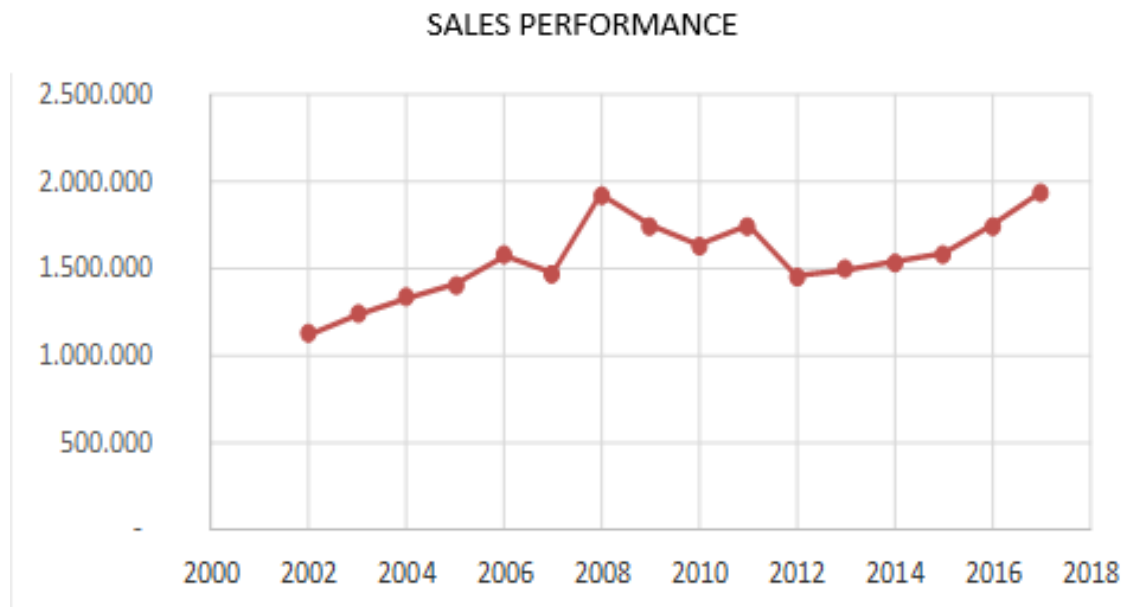
Source: Tutor2u

San Isidro implemented this strategy by moving to a new business related to the agriculture and the other services that were offered like the garden market. They decided to start a supermarket with the help of Intercoop and its filial Agrotaula. With this new deal they were able to set up everything in not much time. Agrotaula helped them to figure out how much space they needed form the warehouse and how many products could be in the store. With this strategy they had been able to increase the numbers in terms of net turnover in the sale of supplies (all the activities of the cooperative except

<sup>2</sup> Ansoff's Strategies tutor2u. (2019)

the agricultural services) to the levels previous to the crisis of 2008. With the financial numbers pending to be approved by the members of the cooperative, in 2019, the supermarket represented around 20% of the **total turnover of the cooperative**. As it can be seen in the following graphic, sales (these terms doesn't count the services done by the cooperative) started growing in 2014 because of the implementation of the supermarket.

Figure 3. SALES PERFORMANCE



Source: San Isidro's General Assembly 2018

This relation with both Intercoop and Agrotaula has its own perks and inconvenience that are going to be explained in the following analysis.

When talking about strategies to compete in the actual supermarket area, it can be said that San Isidro is following a differentiation strategy. This kind of strategy is explained by Porter<sup>3</sup> and it means that San Isidro aims for a better-quality product that people might appreciate with a price a little over the medium of the market. This strategy was chosen because for San Isidro is impossible to compete with brands like Mercadona, Aldi or Lidl that are in their same market. For that, they try to offer local and very traditional products as it will be explained further in the internal analysis.

For the rest of the activities that San Isidro carries out they are somehow in the middle of both strategies (differentiation and cost) and it might depend on the actual product, However, it can be said that for the agricultural service they are now offering to their

<sup>3</sup> Mindtools.com. (2019) Porter's Generic Strategies

partners prices that are almost below the cost in order to keep them as members of the cooperative and to help the local community.

In terms of marketing, San Isidro has a deal with some of the local radio stations to put ads about the cooperative occasionally. Apart from that, San Isidro tries to promote itself in different kind of social activities and events, thus they can keep on with their social activity.

## **2.2 Company resources**

### **2.2.1 Human Resources**

In San Isidro there are eleven fixed employees and more than thirty eventual ones that can vary according to the season and the amount of work force needed. The eventual one's work doing the services that the cooperative offer to their partners.

Above all of them there's a board formed by eleven counsellors that rule the company and the work that it is done in it. These counsellors are the ones that decide which goals must reach the company and how they have to do it, they meet each other once a month to do this task. Then there's a managing director that works as boss in the day by day to control the rest of the employees and he is the direct connexion between employees and counsellors.

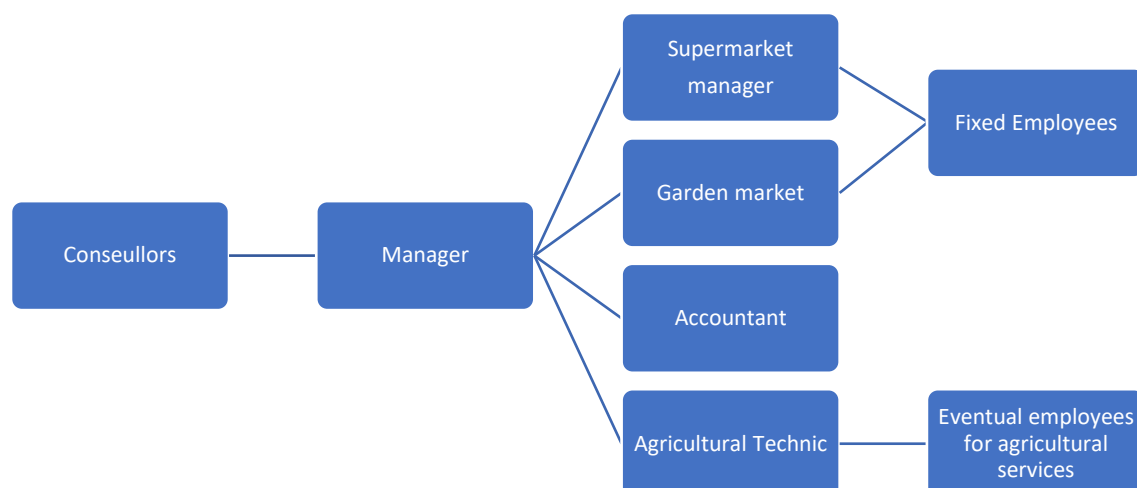
Each member has its own capabilities but can be grouped depending on their work, as it follows.

- The counsellor's main capability is the knowledge of the sector in terms of companies, laws, possible partners and business-related capabilities.
- The managing director (José Vallés) has the knowledge to rule the company in the day by day and is the one that talks with the new suppliers, so he needs to be, and he is a good dealer. Also, he has the ability to communicate with both their bosses and their employees in order to be a good bridge between them. He is also the one that manages the social media of the company having a pretty good knowledge of their public in different platforms like Facebook and the webpage.
- The employees that work in the administration (shop manager and accountant) are specialized in accountancy and in administration-related tasks, such as choosing prices, the products that are offered, seasonal and personalized sales and they also are the ones that take note of the special needs of the clients when they do an order on to the clients. They are the ones that talk with the established suppliers to get lower cost and new stuff to sell for the company.

- Then there are the rest of the fixed employees that oversee the maintenance of the warehouses and the markets in terms of stock, with some of them having knowledge of agriculture and they are able to give advice to the customers that need them. They also take care of the garden and the plants and trees there are.
- For the unit of agricultural services there's an agricultural engineer that manages all the workers. He is the responsible of all the task that are done in the lands of the partners and he is the one that plans how many people he might need doing that.
- The ones that are under the control of the agricultural engineer are specialized in ground services and task and are mostly contracted when there's need of them, on a seasonal basis.
- Apart from all of them that mostly related to the company every year, San Isidro also has in its staff people that are doing internships from all kind of different institutions like Universitat Juame I or other colleges, some of them with disabilities. This strengthens the social focus of the cooperative, giving people with problems the opportunities they need and deserve.

This is the structure within the company in terms of business units. Note that in most of the departments there are one or more employees and some of them work in more than one of them.

Figure 4. San Isidro's structure



Source: Own elaboration

### **2.2.2 Physic resources**

San Isidro owns a few warehouses and a large number of vehicles. In 2018, San Isidro closed the year with more than 1.5 million euros in immobilized assets.

The main warehouse contains the supermarket, the garden market and all the fertilizers. In that place there are also the main offices. It has to be pointed out that they have small vans and trucks to distribute their products to the clients and partners and that gives them advantage over other companies that do not distribute their goods.

### **2.2.3 Marketing resources (4Ps)**

#### **Price**

The strategy followed by San Isidro in terms of pricing differs depending on the business unit. For the supermarket, they can't offer as low prices as other big brands in the town in all their products, but they do monthly and seasonal sales for some products. Needs to be pointed out that 90% of their offer in the market comes from "Agrotaula" (Intercoop), the brand that gathers other cooperatives from the region. So, they end up being forced to offer some kinds of products with pre-established prices. For Intercoop members they provide a fidelity card which gives the owner of it the discount of a 10% in food products. This discount is accumulated each trimester and then the client receives a credit within the money saved.

For other stuff, like the plants they try to offer a market-based price, always trying to have enough margin to obtain profit from it. However, they also depend on supplier prices and seasons. In the services they offer they offer personalized prices accordingly with the needs of the farmer and also according on how big the land is they have to till. Actually, the agricultural services are only available for the partners of the cooperative and, in line with the mission of the company, the prices are close to the cost price, meaning that there's almost no margin for the cooperative to gain any profit but at the same time allowing the farmers have a good land in which cultivate.

#### **Product**

As explained above, there are three business units in the cooperative and they have different kinds of strategies in each of them.

For the supermarket, the 90% products that are offered are determined from "Agrotaula". The majority of them are local products and some traditional ones. The offer of products is the same as other standard supermarkets and can vary from very essential products like milk, olive, daily bread, water and so. And there are others likes biscuits, high quality olive, alcohol. Apart from food products there are also some related to mascots animals



like dogs, birds and cats. Of course, related to the garden part, there are in the offer tools related to this activity and everything needed to do it.

In this area not much change can be done as 'Agrotaula' it is main supplier because of the relation between San Isidro and Intercoop. However, this kind of relation allows them to get new local products way faster than the competence because Agrotaula has a very good reputation in the region.

For the farmers, they offer products related to the production done in the region. And for the services they serve, the offer is related to the production too. They do services like prune, cleanse of the land, preparation before and after the berry and everything related to the care of the trees with phytosanitary products

Figure 5. Services done at the farmer's place



*Source: San Isidro's General Assembly Presentation 2018*

In the garden part, the kind of products they offer is also related to the weather and climate of the season and the region, trying to keep up with the trends that may vary year by year.



Figure 6. Garden market 1



*Source: San Isidro's General Assembly Presentation*

Figure 7. Garden market 2



*Source: San Isidro's General Assembly Presentation*

## Place

San Isidro distributes its products in only one place, the main warehouse in which they have the supermarket and the garden shop. This place opens from 8:00 to 19:00 during the week and then on Saturdays is opened from 8:00 to 13:30. Also, in terms of place of distribution they also do the transport in some cases for a fair of 20 to 30 euros, so they get to reach customers from villages of the region. This place is very well located because it is outside of the city and they have a parking for the clients so going to buy there is way easier than going to the town centre for example. All is done in the same place to allow the customer to go from one kind of products to another in a comfortable way. For example, a client can buy a plant in the garden, then enter the warehouse and get assistance from one of the workers and buy in there the products needed for that kind of plant, and, at last, make the shopping in the supermarket.

For the farmers services, of course, they do them in the place of the partner, but the vehicles needed are store in the warehouses they own and the administration part of them is done in the main warehouse.

Figure 8. San Isidro's main warehouse



Source: San Isidro's Facebook page



## Promotion

San Isidro has a few means of promotion for each kind of business they have.

San Isidro drives its own promotion by making social acts in which they promote their brand. These social acts may vary from concentrations, manifestations in favour of the Valencian agriculture and street markets with products from their partners and from the community.

They also promote their products depending on the season and the type of goods. It has to be taken into account that much of their offers are set from suppliers like 'Agrotaula' and 'Intercoop'. This seasonal effect is also present in the promotion for other kind of products like the garden one.

Recently, they added a social media promotion for their brand, opening an account in the famous page Facebook, in this page they publish all the information about the cooperative and all the news related to them and the sector. Also, this kind of promotion is done in the webpage they own: "sanisidrocastellon.com"

Figure 9. San Isidro's market in Magdalena



Source: San Isidro Facebook page

## 2.2.4 Finance resources

As a cooperative, San Isidro does not have many liabilities in its passive, this is cause because of the longevity of the company that had very good years in the past and was able to accumulate lots of benefits as can be seen in the balance sheet from the end of the 2018 year showed below.

The main economic resource they have is the money they get from its own operations and another kind of resource they own are the public grants that they obtain because of the work they do and the way this work is done.

Also, they show a good situation in terms of debts and equity as they have almost 3 million euros in legal and voluntary reserves and more than three thousand euros in cash (This can be seen in the following picture with the balance sheet from 2018) . With all this money they are able to operate each year and secure the existence of the company in the mid-term.

These main resources are essential for the cooperatives in other to adjust margins in the services they offer to their partners. It was shown in the last General Assembly that this part of the business was deficient last year, and it is expected to get worse in the future. That's why they need this kind of financial structure, in order to be able to keep offering these services and to help the community maintain their way of life.

Figure 10. San Isidro's balance sheet (Assets)

ASSETS	2018	2017
<b>A) NON CURRENT ASSETS</b>	<b>1,534,650</b>	<b>1,579,866</b>
I) INTANGIBLE ASSETS	44	44
II) TANGIBLE FIXED ASSETS	1,435,823	1,480,338
III) PROPERTY INVESTMENTS	60,200	61,600
IV) LONG-TERM FINANCIAL INVESTMENTS	32,369	31,369
VI) DEFERRED TAX ASSETS	6,215	6,515
<b>B) CURRENT ASSETS</b>	<b>1,766,899</b>	<b>1,731,525</b>
II) STOCKS	523,006	523,232
III) TRADE AND OTHER RECEIVABLES	165,358	139,560
V) SHORT-TERM FINANCIAL INVESTMENTS	705,256	908,001
VII) CASH AND CASH EQUIVALENTS	373,280	160,732
<b>TOTAL ASSETS (A+B)</b>	<b>3,301,550</b>	<b>3,311,391</b>

Source: San Isidro's General Assembly 2019

Figure 11. San Isidro's Balance Sheet 2018 (Net equity and liabilities)

NET EQUITY AND LIABILITIES	2018	2017
<b>A) NET EQUITY</b>	<b>3,028,721</b>	<b>3,041,046</b>
A1) OWN FUNDS	2,920,038	2,920,219
II) RESERVES	2,913,352	2,914,186
V) COOPERATIVE RESULTS (POSITIVE)	6,686	16,033
A3) GRANTS, DONATIONS AND LEGACIES RECEIVED	108,682	110,827
<b>B) NON-CURRENT LIABILITIES</b>	<b>39,104</b>	<b>40,869</b>
II) DEBTS WITH SPECIAL LONG-TERM CHARACTERISTICS	11,333	11,287
IV) LONG-TERM DEBTS	600	1,874
VI) DEFERRED TAX LIABILITIES	27,171	27,707
<b>C) CURRENT LIABILITY</b>	<b>233,725</b>	<b>229,477</b>
I) SHORT TERM EDUCATION TRAINING FUND	23,422	38,853
II) SHORT-TERM DEBTS TO PARTNERS	3,405	3,401
V) OTHER SHORT-TERM DEBTS	1,192	3,179
VII) TRADE AND OTHER PAYABLES	205,706	184,044
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>	<b>3,301,550</b>	<b>3,311,391</b>

Source: San Isidro's General Assembly 2019

## 2.2.5 Immaterial resources

When analysing the company's resources, we have to take into account the intangible resources a business might have. San Isidro, because of its social aspect, has the responsibility of doing activities that benefit not only their numbers but also the community and the industry. They have done this since they were created and so, in the minds of the local population that know them, they are seen as one company that always tries to work for the town and for its inhabitants. This being said, this kind of appearance is a positive aspect that San Isidro has and must use.

## 2.3 Capabilities

### 2.3.1 Organisational capabilities

San Isidro is part of a group of cooperatives called Intercoop, this group is form by other cooperatives from the province and as it's explained during all this paper, these companies work together to get better deals with suppliers and customers. For that, they have a contract with each other in which they accept to have Intercoop and its suppliers as the main ones, meaning that they can do a larger purchase and get lower costs in almost 90% of the products they cooperatives offer. This kind of organisation is key for them in order to be able to compete with larger supermarkets when we talk about food products.

Apart from this that is refer to something outside San Isidro, there's also another organisational perk that they have, and it is their counsellors. These counsellors are

chosen by the members of the cooperative in the General Assembly and their work is to rule the business and to preserve the local and social activity of the company. Also, it must be pointed that the counsellors are not employees and work for free for the cooperative. This main objective is to gather other partners to the cooperative and to guide this cooperative through the market obtaining deals.

### **2.3.2 Distinctive capabilities**

One of the main values that San Isidro has to differentiate itself is the local ambit in every activity they do. This allows them to differentiate from all its competitors but mostly from the supermarkets. The products San Isidro offers in the market are mostly traditional ones with good quality contrasted for years and also products from the region that are thought for customers that ask for local goods.

Another good capability they have is that they can offer lot of advice within the warehouse in which they operate and with that the customer service in the place is much better and clients rely more on the San Isidro than in others that don't have employees that can do this. For example, someone can go to the garden and get advice from the gardeners to get the best products that might grow better in their land and then inside the shop they also get advice from specialist in agriculture that offer them the best kind of phytosanitary and fertilizers products for each kind of production and how do they have to use them in order to get the best fruit possible.

Then, when talking about agricultural services in the land of partners, their main distinctive is that they offer the lowest cost in the market for them just to preserve their production.

Gathering all the ones mentioned above we can say that, grouping all these kind of activities in just one place (garden, food market, tools market, phytosanitary market, fertilizers market and the services) is maybe the best perk of the cooperative because the customers are able to get almost everything they need in terms of food and agricultural products. With that, the cooperative gets not only their partners but also their normal clients to visit the place more than once a month and this generates lot of rotation in the business.

### **2.3.3 Value Chain**

As a retailer, they value chain of the cooperative is pretty simple and adds not much value in the process other than putting close to the customers the products and goods they offer. However, when we talk about the services is a different story.

First, for the goods that are sold in the market, as explained during the rest of the analysis, San Isidro cooperates with 'Agrotaula', 'Intercoop' and the rest of the cooperatives in the region to get better prices for their supermarket and in the rest of the products like farmer tools and fertilizers. It's 'Intercoop' the one that set the prices and the one that choose which products are sold and which offers are done. So, the function of the cooperative is to put this product close to the customer and maybe to add if possible, another discount apart from the ones that 'Intercoop' does.

When talking about the garden market, the offer is set depending on the season and also on the expected demand. San Isidro has a very fluent relation with its supplier for fruit trees and that allows them to deliver almost twice a week an order. The customers that what a specific tree or want a not normal amount of them can make an order in the administration of the company and the cooperative will arrange the order to the supplier. This allows all the customer to get what they want in a very short time knowing the industry. Also, for this kind of products and for big orders from members of the cooperative there's a transport service that has a fee of nearly 30€ that might vary depending on the order and place to deliver.

In the value chain of the services for the farmers the aim of the cooperative is to deliver the best possible service in the shorter time. For that, there are employees that are able to operate any kind of machine and to use any kind of phytosanitary products. The value

## **2.4 Company objectives**

As explained during all the marketing plan, there are three business units in the company and for each of them there are different kind of goals and objectives in the upcoming years.

For the market part, San Isidro wants to keep growing as good as the previous years, around five to ten percent. Also, in a non-quantitative way, they want to make it the most important business unit alongside the garden one. For them, this is very important as it is expected to be the one with more prospects and margins available in the future.

In the farmer's services the aim keeps on serving these to the partners, lowering more the margins if it is necessary and trying to help them as much as possible. In economic terms there's no goal set yet because of the difficulties to make this business unit profitable. Thus, this is maintained because of the social aspect of the cooperative. With these bad prospects is wise to say that in the future this business unit will disappear and because of that the investment of the company on it will do so.

For the garden part, the aim is, as explained above, to put this business unit alongside with the market in the top of the company.

As a whole, San Isidro's main goal is to keep 'alive' as far as possible in an industry and sector that is already decreasing faster and faster each year. Also, the cooperative doesn't want to lose its social focus and looks for all the opportunities to help the community and the region.



### **3 EXTERNAL ANALYSIS**

In the external analysis the environment surrounding the company will be described by using the PESTEL model for the macro environment and Porter's Five Forces model for the microenvironment. At the end of it, some key takeaways will be taken in consideration about the whole external analysis and how these key aspects affect the industry and the company.

#### **3.1 PESTEL**

The PESTEL model aim is to give a clear vision of the world surrounding not only the business but also the industry in which San Isidro is in. For that, this model presents the most important aspects of politics, economics, society, technology, environment and legalization about Spain in general and the region of Castellón in particular.

##### **3.1.1 Politics - Law**

Spain, the country in which this industry operates, is inside the European Union and for that, both the central government and the European one legislates over this sector. This gives the economy a certain stability but also provides some kind of controversy when it comes to benefit one or another country member. As it will be shown, these aspects might affect in both a negative and positive way to the industry.

In political terms, Castellón is in a kind of stability but regional elections are on the way for the end of May and polls display a huge variety of parties represented. However, the country itself has been in a political instability for at least two years and national elections had just been announced for the end of April with the same expected results as the local ones. Conservative, progressist, liberal or populist parties have different electoral programmes with dissimilar ideas related to the primary sector.

But this is not a real problem because they end up having impact only in small aspects. The big problems and solutions usually come from the European authorities that rule all the commerce between Europe members and between Europe and the rest of the world. This means that each country must accept what Europe as a whole agrees for and not what they want to do.

One example of this is the pact between Europe and South Africa about the citrics one of the main engines of the Spanish's primary sector and the main one for the region of Castellón. This pact allows South African products to enter in the European Union. The problem comes when this kind of products don't have to pass some kind of controls as

the regional ones do<sup>4</sup>. This makes the product cheaper and at the end the regional ones are not able to compete in terms of price.

But also, European politics help the industry, and they do that by providing funds to the national governments in order to support the primary sector using the CAP (Common Agriculture Politic). For the 2014 – 2020 period the European Commission has planned an investment of around 45 billion euros in Spain. This is mentioned in the report called “CAP in your country, Spain”, it is also all the benefits that this policy created, like helping develop more than 30.000 jobs, setting up 8.000 new farmers or modernising more than 20.000 holdings. With that, a more sustainable agriculture and a more productive sector has been done.

Not only the laws affect the production and the competitiveness of the market, they also affect what can be sell, how and for whom. Lately, with the new wave of ecological and clean production the sector has entered in an instable period in the products they can use to support the production. Phytosanitary products used for improving the productivity and quality of the production in all kind of farms are being restricted. Authorities want to reduce the amount of this products in the final fruit, and for that, only people with a certain level of knowledge acquired.

### **3.1.2 Economics**

The economic situation right now in the zone is better than it was four or five years ago, however, the negative effects that the crisis had are still visible not only in the macro numbers but also in people’s life. The overall unemployment in the region has decreased from almost 30% to 14% nowadays. When focusing only in the agriculture sector the numbers now are better, only 10% unemployment but this is not relevant because of the seasonal effect this sector has.

In the last years, the competence from countries outside of Europe made a huge impact in the economy of the industry. These new rivals made the prices hit an all-time low number and caused a lot of struggle in the small business that are in the sector. The margins are now almost non existing, and it is hard for farmers to keep on the business when no profit is coming for them.

Overall, the weight of the primary sector in the Castellon GDP is higher than the mean in the European Union, meaning that this industry is also key in this region alongside

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<sup>4</sup> Las Provincias. (2019) Europa compra cítricos de Sudáfrica tratados con plaguicidas que prohíbe.



with the services sector that it is carried by the tourism. For that, even though there aren't good prospects in the line the sector cannot be taken down in the near time.

### **3.1.3 Society**

About the society in the region it can be say that the sector is getting a negative impact from it. The trends in the consumer behaviour are changing and now the price is one of the most important aspects that people take into account when buying. Local products are, on average in this sector, more expensive than the ones from other countries, as for that, the products from the region cannot compete with them. Also, the way they are produced and supplied is not enough adapted to the standards of the society. The main producers and suppliers are not big companies, but the main competitors are, this creates a situation in which the smaller business cannot operate in the market.

Also, the major part of the society is now moving to online markets, which means that people are now buying more through the internet and less on a physical place. Thus, the sellers need to adapt to these new trends in order to keep sales numbers and knowing they are small business is way more difficult to make this move for them and make it profitable.

But, not only the way we buy makes a negative impact, also the way we work. The owners of the businesses and the lands that are in production are now old and looking for someone to take the initiative and keep on the work. But this transition is not coming yet because young people do not want to take over this sector because of its non-future prospects.

Society is making change and looking for new trends nowadays, those new trends make the traditional primary sector a low tier option when buying and for that the industry is dying year by year, also no good future on the horizon is expected. Society is also mobbing into a more gluten free consume, not only because of personal needs (the number of persons with these needs is increasing<sup>5</sup>) but also because this kind of products are healthier that normal ones.

Despite this, the society is not only interest in local products but also is aiming for ecological products. What is more, is being said that the society nowadays is more interested in the agriculture used as a hobby, and people now want to have their own production for themselves instead of looking for economic profit in bigger lands.

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<sup>5</sup> Mediterráneo, E. (2019). La provincia detecta 275 nuevos casos de celíacos en solo un año.

### **3.1.4 Technology**

The technology aspect of the industry has varied a lot in the recent years. These numerous changes have increased the productivity and have reduced costs too. The developments consist in new and better machines that are used in the production phase of the products, reducing the amount of workforce or supporting the workers. This might have a negative impact in the society because of the less people is needed and so, unemployment happens.

It can be seen also the technology used to promote products. Nowadays social media and internet has become one of the most important promotion tools and if it's seen from a primary sector point of view it's not that key yet, but it might be in the future. Social Media is more important to promote the brand rather than to sell the products. This happens because the businesses that are in the industry are not large enough to afford an online shop, not because of the website but because of the delivery system it requires. However, this is one of the things that might be changed in the future and companies should adapt to it.

Also, R+D (Research and development) is another big part of the future in the industry. In the long term, improvements are needed to make the vegetables and fruits adaptable to the new environment that is changing right now because of the global warming, and so new technics in order to improve productivity even more and with that the local sector might be able to compete with other countries outside Europe.

### **3.1.5 Environment**

The environment plays a huge role in the industry, which is influent a lot by it. The changes in the environment can affect a lot the production of the sector. A bad year in terms of weather means less production and so, less earnings for both the producers and the sellers. The future in the region and in the country is expected to be far from friendly with the local production that is done nowadays. This might force producers to change what they produce and what they choose to produce. Also, related to the society and law aspects, the environment is a matter worth taking care of. The regulations limit the way something is produced, and the society does too.

People nowadays care more about environment and want to consume environmentally friendly products<sup>6</sup>. This means that producers and sellers (farmers and cooperatives) must adapt their production chain to these new trends. For example, not only reducing the amount of fuel used in the recollection but also what kind of phytosanitary products

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<sup>6</sup> Palou (2019). El sector ecológico en auge gracias a los millennials.

are used in fruits need to be reduced. There's now an upcoming trend that aims for '0 residues' in the final product. This means that the fertilizers used during the growing of the plants must be controlled and done before the fruit of the tree or plant grow.

### **3.2 Porter's Five Forces**

The Porter's Five Force Model gives an inside view of the industry in which San Isidro is in. This point of view will measure five key parts of the sector: suppliers, competitors, consumers, new possible competitors and substitute products.

#### **3.2.1 Supplier power**

In this industry the suppliers have a lot of power over small or medium companies. They are able to set high prices and force sellers either to cut their margin or to increase the prices. That power is also present in the variety of the offer, for plants and farmer's products there are a few suppliers in the region and for that the wideness of the offer in the cooperative depends a lot on the supplier's capacity. In agricultural products, the main supplier for these kind of cooperatives in the community is INTERCOOP, they act as a point of connexion between the distributor and the cooperative that finally sells the product to the end customer. INTERCOOP provides with a huge range of phytosanitary products which are key for the cooperatives, not only for selling them but also for using them in the services they offer to their members.

For the cooperatives with a market, the supplier power is total over the companies. 'Agrotaula' is the main and almost only one for cooperatives inside INTERCOOP, which gathers all the important ones from the community. Agrotaula acts in the supermarket part as INTERCOOP in the agricultural one. They are the main supplier because they are the point of connexion between the suppliers of each kind of products and the cooperatives. They actually design the supermarket depending on the capacity of the cooperative and its possibilities. This enables all type of cooperatives with a minimum of space to have a supermarket in their facilities.

In the garden part, the number of suppliers is bigger than in the rest of business units. This is because of the environmental conditions that occur in the region. The place has a good weather almost every year and on top of that, the growing of plants and trees has been a tradition in the territory for ages. All together creates a perfect environment in which a lot of suppliers offer all kind of products but the most important are the fruit trees.

#### **3.2.2 Consumer power**

The customers in this industry have as much power as suppliers let them, this means that for some kind of products, like the ones related to farmer's production, they have

almost no power because there are not many suppliers in the sector and so, the sellers set prices

### **3.2.3 Threats of new entrants**

This one is the main problem for local business right now in the sector. New companies are coming more and more frequently the previous years because of the politics in the European Union, allowing countries from outside of the continent to compete with the European ones. The key aspect is that those countries don't have as many legal restrictions in the production as the ones from here. At the end, they end up having way less costs and it is easier for them to enter knowing they have the fight of the prices already won.

But apart from that, in the other business units of the companies there are not a lot of new companies coming in. Supermarket is a mature sector in which the threats comes with the already stablished companies and in the garden part the competence is not coming because of the amount of money is needed to enter in this business. The garden part asks for good quality product for fruit trees and seeds and also for a lot of space in which storage all the products. What is more, in the garden shop is needed a certain knowledge about the plants and stuff in sale, this is something that is not easy to gain nowadays.

### **3.2.4 Substitute products**

As explained during all the analysis, the substitute products' threat may vary depending on the business unit we are talking about.

For the services and phytosanitary products that cooperatives offer, there's not much competence. Farmer's services are in a decreasing period and nothing is being put on their place. The actual threat for this part of the business is the disappearance of the interest in farmers to produce and for that, farmers are now losing interest in preserving and taking care of the land.

Talking about the supermarket and the garden, we can say that cooperatives aim for local and standardized products, which may have a lot of substitutes. Focusing on the fruits, for example, bigger supermarkets are able to offer exotic products that cannot grow in the local area, as for that, customers might go for the new ones before the traditional ones. This is seen in the tendency that the market and the customers are following, they are now more willing to do traditional production and keeping a garden and fruit trees is taking off even for amateur people that take this as a hobby. Despite that, if the industry does not adapt to these new products, they might lose the possibility

of taking this trend and make it profitable. And this is where the garden takes the lead, supermarkets may offer the final product, but they are not offering the tree or seeds, this is where cooperatives need to aim to maintain their lead in the sector, offering not only the product but also the experience of growing something.

### **3.2.5 Competitive rivalry**

The level of competence for San Isidro is quite high in two of their three key business units.

The company is placed in a neighbourhood in which two low-priced supermarkets (ALDI and Lidl) are in and there are also shops for garden related products. This, summed up with competence coming from online shops that are starting to offer supermarket related products, creates a very competitive environment. However, San Isidro and cooperatives don't aim to get the lowest prices of the market, but to get the best quality possible from local products, aiming for the traditional customer.

In the garden sector there's not much competence in terms of fruit trees and phytosanitary products. Although there are quite a good number of garden related shops but not as big as San Isidro and also not as specialized neither diverse.

On the other hand, for agricultural services there are not much business not even in the region, leaving San Isidro as the reference in the local community. However, when we have a look outside the city, there are a few cooperatives that do the same but each one of them operate just in their municipality as San Isidro does too. This means that there's no real competence in this matter as each of the cooperative respect each other creating a non-competitive

To sum up, there's a high competence in markets, a medium one in the garden area and an almost non-existent in the agricultural services. The last ones are also the less profitable and for that the aim of the cooperatives is changing to the two previous ones.

## 4 SWOT

As a summary of everything seen in both the internal and the external analysis it can be done a SWOT, in this model I remark the good points of the company, the bad ones and the opportunities that can be approached knowing the threats and problems of the market explained above.

### 4.1 Strengths

- *Knowledge of the industry*
  - The history of an Isidro and all the ones involve in the company acquired this knowledge through all the time that they put on the cooperative and the community, thus, they got a superior capacity of analysis which let them to adapt in faster and sooner than anyone one else in the region
- *Local focus in both products and services*
  - The fact that the cooperative has a local focus in everything they do is a perk because it matches perfectly with the increase of the interest in the local products from the customers.
- *Image that people have of San Isidro*
  - For its history and for the local focus they have, people that know them have a positive image of the cooperative and San Isidro comes up, for many of them, as the first retail for agricultural related products.
- *Cooperation with other cooperative (INTERCOOP, Agrotaula)*
  - The cooperation with other cooperatives lets San Isidro get lower cost in the goods they purchase as well as they get to partner up with lot of different communities from the region.
- *Financial stability*
  - The fact that the numbers in their economic area let them adjust margins to get better prices for its members explains that this is one of their main perks. Above all, as explained, even with loses in the agricultural area, the rest of the business units of the company balance
- *Gathering of diverse kind of business (market, garden, fertilizers, agricultural services)*
  - Alongside with the knowledge of the industry and the financial stability this one might be the best perk of the cooperative, it is one of the main values of the company that people assign them.
- *Partners*
  - The more than 4000 members that the cooperative has (even thought not all of them are active) creates a good base in terms of customers for the

agricultural services part and also for the markets. Thus, this group allows the cooperative to start new businesses knowing that they already have potential clients.

#### **4.2 Weakness**

- *Almost no control over what is offer in some business units because of the deal over Intercoop.*
  - This 'contract' with Intercoop and its affiliate Agrotaula can be both positive (as explained in the strengths parts) and negative, because they are not able to control what is offer in most of the business they have. Like in the supermarket, the prices, sales and what is in store is selected by Agrotaula and no changes can be made. Just some new products that might not compete with the Agrotaula ones can be added.
- *Not much differentiate workplaces.*
  - There are 11 employees and only the main manager and the accountant work just in one task each. The rest might change their position during the work time and that creates sometimes bad synergies and delays in some task.
- *Not known in the younger generations of the town*
  - Despite being known in older generations, the younger ones are not aware of the existence of the cooperative.
- *Opening hours*
  - Despite the success on the diversification in the cooperative, there's now a problem and it is the schedule. The cooperative's schedule does not fit with the standard opening hours in the industry of the supermarket neither the garden market. Customers for this kind of products ask for different opening hours and these might differ with the ones in a normal cooperative that works only or its members.

#### **4.3 Opportunities**

- *Ecological - bio market - gluten free market*
  - A significant part of the society is changing its habits and biological and ecological products are increasing its sales in all the age groups but mostly in the younger ones.
- *Increase of the interest in small lands to labour (Agriculture as a hobby for young people)*
  - This is one of the main opportunities in the market, while in one hand we have the major farmers are giving up on major land productions because



they can't get benefit from them, in the other hand we have a small part of the population that now is more interested in having its own production for itself consumption and this is growing more and more as it can be seen in with the urban gardens and so.

- *Increase on the interest on local products*
  - Alongside with the local production in urban gardens and gardens as a hobby, the society is changing and day by day they are aiming for a more local oriented market and they don't mind in some cases paying more for a local product instead of saving some buying foreign goods.
- *Young customers*
  - Young customers are the ones that sum up almost every opportunity explained above because they gather all, they are interested in local products and also, they are looking for a more sustainable way of life.
- *Gluten free products*
  - This is a direct opportunity for a small market niche but with lots of potential

#### **4.4 Threats**

- *Third country products (outside of the EU)*
  - This might be the biggest threat in the industry and so the main for San Isidro, even though they are not focused on selling products, the fact that the local market is losing the market share in favour of foreign products puts the businesses in a bad spot.
- *Deceleration of the grow in the local and country economy*
  - As is expected from European institutions and national ones too, the economy is going to decelerate its growth in the upcoming years and so the one in the region will do too.
- *New upcoming regulations in terms of fertilizers.*
  - This has been a threat for years and it is not over yet. The fertilizers and phytosanitary products used in the production of the fruits are being restricted. Some of this support to the production products are being forbidden and others are getting really difficult to use it. Regulations ask for a professional to manage the products and also rule when this kind of products can be used (before the fruit grows normally)
- *Decrease in the interest of big agricultural productions*
  - Another threat that has been in the industry for a couple of years and it is getting even worse in the upcoming ones. The owners of big lands of



production are abandoning these because of the non-profit expectation they have.

## **5 PREACTION PLAN**

After the analysis of both the internal and the external part of the company, and following the path given by the most important aspects represented in the SWOT, here it is the action plan for San Isidro. The first part of the action plan will explain which the customer focus is, the goals San Isidro wants to reach during the next year and which strategies the company should follow to achieve them. After the strategies, the actual actions numbered will be explained divided in the marketing mix depending on which focus they might have (product, price, place or promotion). Further, the budget for each action will be allocated and explained. In the last part of the action plan a Gantt and a control chart will be shown.

As an explanation, this action plan will be focused on two out of the three business units San Isidro has, supermarket and garden market. This is set like this because the agricultural part both in terms of products and services is left as a completely different one and with unique needs. Also, the prospects of this business unit are not even close to be optimistic, so it is not worth investing more on specific plans for them, however, some actions will be done to support the agricultural community and keep it up with the social aspect of the cooperative.

### **5.1 Target audience**

In this action plan for San Isidro at least two big different groups are going to be approached. The key difference between each of them will be the age.

First, there's an important group that might be key in the future of the cooperative and the company is not taking care of them right now, young people. People from 16 – 30 years old are not a big part of the pie in San Isidro. This occurs because people that knows well the cooperative is not young and because the company does not focus anything of what they offer to them. Another important aspect will be the background of the people or their interests. The target of San Isidro has been always people from the region and interested in the local community and its way of life and so it will be in the future. Also, the group of people that San Isidro wants to attract are interested in the local agriculture and plants but not in an economic way, meaning this that it is more a hobby than a job for them because of its ecological implication. This is because young people nowadays care more about ecological terms than the older generations.

To sum up, this first group is definite by the age between 16 – 30, the interest or background around local products or local community and the interest in what is called nowadays 'Urban agriculture'.

Then, there's a second group of people who are more than 30 years old. Despite this difference with the other group, in the rest of the aspects they are pretty much the same. This group of people is also interested in local products and in the local community and they care about the future growth of the town, however they are not as conscious about ecological aspects. They are interested in agriculture and plants too and one thing that makes them different apart from the age is that broadly speaking they have more money than young people.

## **5.2 Goals**

The cooperative doesn't set any kind of specific goals for the upcoming years but instead they try to figure out which might be their best path for the future and adapt to it. Thus, in this action plan we will talk about directions and prospects with not much numbers, so qualitative goals will be the one more relevant. Knowing that we can say that the achievements for the next year 2019 - 2020 in the cooperative should be:

- 1. Increase of the profit from the garden market in terms of % over total turnover in the cooperative (Now is: 15%) (Objective: 20%)**
- 2. Increase of the profit from the supermarket in terms of % over the total turnover (Now is: 15%) (Objective: 20%)**

The main objective of the first two goals is to keep on the process of diversification started 5 years ago. This diversification let the cooperative keep on offering agricultural services for their partners with adjusted margins and that will be happening for more years because after all the agriculture is the main activity and reason to be of the cooperative.

- 3. Increase of the brand awareness in the younger generations**
- 4. Keep on supporting the agricultural community of the region**

These last ones aim for a completely different segment of the market, while the first one goes for the younger generation the last one is more likely to be focused on an older one because of the characteristics that people that are still in the industry have.

## **5.3 Strategies**

In order to achieve all the goals proposed above, we must choose which strategies and which variants of them might fit better.

Following Ansoff's matrix, San Isidro chose, as it was explained in the analysis, the related diversification in order to keep on growing. For the competitive part, it was explained before that San Isidro chose the differentiation strategy following Porter's model. So, the next marketing strategies that will help the company achieve the goals

proposed should be around these ones, supporting them. Some strategies might be chosen for more than one goal.

### 5.3.1 Marketing strategies

Now, the following strategies will be all about marketing and how to achieve the short-term goals set in the previous part of the plan.

- **Development of new products (offered) and services**
  - Even though San Isidro does not develop products they offer them. So, with this strategy the aim is to have in the supermarket a wider and deeper range of products as well as in the garden market.
- **Loyalty**
  - This strategy is set to aim both targets pointed before and it tries to make them more active in the day by day of the cooperative, trying to make the ones that go to the supermarket by in the garden market and vice versa.
- **Events and experiences**
  - The objective of this strategy is to push forward the brand of San Isidro and its social activity in the community, with that, the aim is to get the cooperative be more known in the town and among the industry. This will be accomplished with partnerships and collaborations with other institutions like schools or municipalities.
- **Sales promotion**
  - With this strategy the objective is to make the customers come more often to the cooperative and to help them save the gap between our prices and lower ones in the competence, this one will be set alongside the loyalty strategy.
- **Social Media**
  - This is a common strategy used in the companies to promote both their brand and its products, and it is a good way to communicate with the customers and the community. The objective is to keep the clients updated about the cooperative and what it is being done and how as well as solving doubts customers might have. This fluent communication makes members of the cooperative feel more involved.

## **6 ACTION PLAN – MARKETING MIX**

In this part of the marketing plan the actions will be shown divided in four key parts: product, price, place and promotion. Some actions might belong to more than one of the parts of the marketing mix, however, they will be explained in the one that has most relevancy. These actions will be numbered in order of apparition and a list at the end will sum up all of them in order to have a better tracking in the following steps of the plan (control and budget). It is important to point that the action plan will start in September 2019 and most of the actions are set to start in that moment too.

There's not much hierarchy in the cooperative and all the initiatives are taken by the cooperative manager under the approbation of the counsellors and by the shop manager, so all these actions are going to be done by them and in some cases with the help of employees.

### **6.1 Product**

The product and services are key in San Isidro as much as it is for every capitalist company. San Isidro now has in its supermarket offer a small range of traditional, local and well-known products. For the garden the major part of the offer is related to agriculture, they sell seeds, and small vegetables and fruit cuts. On this matter, San Isidro should take some actions in order to have a wider range of products both in the supermarket and in the garden.

#### **Action 1. Start a section in the supermarket for gluten free products**

For this action, San Isidro will make a deal with Orgran<sup>7</sup>, a famous brand in Spain that develops a wide range of gluten free products. This company will provide the cooperative with a stand for their products and the actual products. Orgran now offers in Spain all kind of food from pasta to cereals and biscuits.

This action will be done like this because is the way San Isidro does it, contacting with the supplier first and then having a stand for the products instead of putting them in the shelves, these are reserved for the convenient/common products. Gluten free products are selected because their demand is increasing and because right now Agrotaula doesn't have any kind of deal with a supplier for this type of products so no competence will be done.

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<sup>7</sup> Orgran.es. (2019)

### - Timing

As all the actions in this marketing plan are planned to be started in September 2019, so this one is not different.

During the first month San Isidro will talk with the supplier and will be selecting which products wants to have from all the available. After that, starting October, a week will be set to make a free tasting of some of them in the supermarket for the customers. Also, this new line in the cooperative will be announced both in their Facebook page and in the website. This action is thought to be held during at least 6 months and it could be extended if the effects are positive.

### **Action 2. Flowers and decorative plants**

This is an action that is key for San Isidro after pushing forward the supermarket. Now the cooperative has a wide range of fruit trees and agricultural plants in its offer but almost non-existent for decorative ones and this action is set to change that.

San Isidro should ask their actual suppliers for this kind of products and they also should look for new suppliers such as Flores El Cale<sup>8</sup>. This company is based in Xàtiva, a village near Valencia. It is one of the major suppliers for decorative plants in the community and they have a good range of products in its portfolio.

### - Timing

This action will go alongside the first one, starting in September 2019 with a month for making the deals and selecting which products enter the garden and which don't.

After that, in October, the garden will be changing a bit to make room for the new products. This should be ready for sale in middle October right before All Saints day.

### **6.2 Price**

Price is one of the key factors in a company and so for San Isidro it is too. Setting a good or bad price strategy could mean the difference between having a good or a bad year as well as been or not successful with a specific product.

This might be the toughest matter for San Isidro as they are not 100% over the control of the prices because of the deals with Agrotaula. However, the cooperative can fix prices in the products they offer that are outside of Agrotaula's control. As we've seen in the previous part of the marketing mix, the cooperative is going to start offering new gluten free products in their supermarket and prepared meals (this action was started right

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<sup>8</sup> Floreselcale.es. (2019)

before the marketing plan, in May 2019). For the garden market they are going to offer a completely different focused product.

As for the garden market, decorative plants and flowers implemented in **action 2** might have the same margin as San Isidro puts for the rest of the products. So, the only action done in this part of the mix is:

### **Action 3. Set prices for the new products**

Knowing how San Isidro works setting prices, for this new group of products this is not going to change. They set products' prices just depending on suppliers' ones and putting its own margin over them, so they are not very concerned about the competence. Despite this, for the new products they should be aware of the competence because in this kind of plants they have way more competence than in the others.

#### **- Timing**

From the moment they have decorative plants and gluten free products in their offer they should start reviewing prices from the competence and taking care of matching them or putting them even lower if quality can't be a factor to differentiate them.

### **6.3 Placement**

Placement is another key aspect of a company, and right now San Isidro has a really good strategy on it. They are based on a very accessible place, with parking area for customers and only 5 minutes by car from the city centre. Also, they have a service for distributing their products to clients that ask for it for a low fee of 30€ or even free if the amount of the purchase is big enough. So, for this particular part of the marketing mix no action is needed in the plan.

### **6.4 Promotion**

The promotion is key in every company and for San Isidro is even more important. San Isidro doesn't have control over prices in almost any product and so, promotion, sales and publicity are their only way to attract customers in terms of price.

For this part of the mix San Isidro should push forward their sales in both the supermarket and the garden market using promotions and they should also use new products in **Actions 1 and 2** and their actual ones to build up loyalty among their new and returning clients. That's why this is the part of the mix with more and most important actions.

#### **Action 4. Loyalty card**

San Isidro now give close to 1% discount in food goods to its members. This discount should be bigger but most importantly it should be focused on the right direction. The cooperative should create a new loyalty card, differentiating for who it is. The aim is not to give away low priced products but instead to gain loyalty among the customers for both the supermarket and the garden market. In order achieve this goal it is necessary that the supermarket and the garden market are related. How is this achieved? Giving crisscrossed discounts. The idea is: the more you spend on plants the more discounts you have in food goods and vice versa. So, the card will be assigned to a client ID, and every time this client buys something from either of the departments this client will accumulate credit for one of them. The percentage is 2% in every buy for both departments. This credit will be accumulated monthly and will be available monthly too.

To make the idea easier to understand here is an example:

A girl gets this card on May and she gets her ID attached to it. At the end of the month she had bought food goods worth 100€. So, on 1<sup>st</sup> of June, she has in her card an amount of 2€ for the garden market. If she had spent 100€ in the garden market too, she would had had 2€ discount for the supermarket.

The aim of this card is to create a rotation in the goods of the cooperative with the discount lasting only a month and also make people try more than one thing from San Isidro.

#### **Timing**

This kind of card can be hard to implement in an informatic system, however differentiating types of products and having a data base of IDs is already a thing in San Isidro. For that, there will be a first month of preparation with the support of the informatic assistant and two weeks of internal try outs. During this try outs, the cooperative will start to advertise the card. After that, at the end of October the car will be expected to be release. In order to make the members of the cooperative feel more special they will have an exclusive of use in this card for the rest of the year. Also, with this, people will be encouraged on affiliating the cooperative. On 2020, the card will be available for the general public.

#### **Action 5. Partnering with primary schools**

Nowadays San Isidro is one of the man suppliers for tons of primary schools in Castellón. They rely on the cooperative because of the products offered, the advice available in



place and the transportation. Knowing this, the idea is to work even more with this schools to transfer the agriculture sentiment and the essence of the cooperative to the youngest ones. Connecting with children is connecting with families and that should be a key stakeholder for the cooperative in the near future.

The actual idea is to prepare a bunch of activities like workshops in the schools or in the main warehouses, guided tours in the plants and presentations about the cooperative and its social action.

In the workshops, children will learn the importance of the agriculture in the community and also the way San Isidro works in it. All this will be done by an employee of the cooperative and it will allow, not only students but also teachers, to learn about how to take care of a plant and how to grow your own little garden.

On top of that, schools that work with San Isidro in a regular basis will have access to special prices for the products used in their activities.

This activity might not be focused directly to make more profit but in the end is a social activity (main purpose of the San Isidro) and it is a good way to make the brand known in young people and families that might not know the cooperative.

#### **- Timing**

This action will start on September 2019, contacting with the schools that are regular customers and offering them these activities. After that, at least once a month an activity is expected to happen whether is in a school or in the cooperative. It is planned to stay for at least 6 months, after that, a study of the situation and numbers will determine if it's worth it to keep on doing it or not.

#### **Action 6. Funding phytosanitary course**

Nowadays, access to phytosanitary products is getting complicated for everyone outside the agricultural industry. People need to get a "Professional operator" card in order to use them. This card is only available for people that do a course and pass the exam and the end of it. The course cost is around 50€ and some people don't think it is worth the effort in terms of money and time. The course is taught by employees of the cooperative and experts from the sector, however, it is organised by a department of the public administration.

The cooperative should fund this course for its partners. The key point of this is that instead of paying them the course, they get a discount of 25€ (which is 50% of the course's cost) in the agricultural area of the cooperative. This means that someone who

is not a member of the cooperative only has to pay the initial contribution (2,4€) and 50% of the course (25€) and in exchange of that they get the course and a 25€ voucher. With this voucher they can get a good discount in the number of products they might need for their garden.

#### - **Timing**

This kind of courses are done two or three times a year by the cooperative, and the average attendance is 40 persons. It is planned to happen around March – July – November. So, for this marketing plan, the actual timing is November – March – July.

### **Action 7. Facebook**

As last action to be explained and in order to support all the ones above, San Isidro should use its own social media profiles to communicate to their followers the activities done and the discounts and new offer available. At the end of the year there will be a review of all the activities done.

#### **Timing**

The timing of this action will go alongside the rest of the actions, so all the posts in social media will be done when the actions required them.

### **6.5 List of actions**

- Action 1. Start a section in the supermarket for gluten free products
- Action 2. Flowers and decorative plants
- Action 3. Set prices for the new products
- Action 4. Loyalty card
- Action 5. Partnering with primary schools
- Action 6. Funding phytosanitary course
- Action 7. Facebook

## 7 CONTROL

In this section of the marketing plan, it is explained the way San Isidro should control all the actions proposed before. Below, there's a table with each action, what is going to be the measure used to track the actions and the responsible people of doing this control. The control chart is important because it highlights the key elements of each action and it also mentions which control measures could be taken to keep the action in the right path. A further explanation will be given below the table.

Table 1. CONTROL TABLE

<b>ACTION</b>	<b>CONTROL ACTION</b>	<b>RESPONSIBLE</b>
<b>ACTION 1</b> <i>Start a section in the supermarket for gluten free products</i>	Review the turn-over and profit after 3, 6 months and at the end of the year.	<b>COOPERATIVE MANAGER AND SHOP MANAGER</b>
<b>ACTION 2</b> <i>Flowers and decorative plants</i>	Review the turn-over and profit after 3, 6 months and at the end of the year.	<b>COOPERATIVE MANAGER AND SHOP MANAGER</b>
<b>ACTION 3</b> <i>Set prices for the new products</i>	Monthly tracking of the prices in the competence	<b>COOPERATIVE MANAGER AND SHOP MANAGER</b>
<b>ACTION 4</b> <i>Loyalty card</i>	Review of the number of cards delivered and the use of the discount	<b>COOPERATIVE MANAGER AND SHOP MANAGER</b>
<b>ACTION 5</b> <i>Partnering with primary schools</i>	Review of the activities done and the number of them done	<b>COOPERATIVE MANAGER AND SHOP MANAGER</b>
<b>ACTION 6</b> <i>Funding phytosanitary course</i>	Review number of course funded	<b>COOPERATIVE MANAGER AND SHOP MANAGER</b>

**ACTION 7**  
*Facebook*

Publish at least one post for each action

Monitoring the numbers of people reached, new likes to the page and so.

**COOPERATIVE MANAGER**

In the **Action 1** and in the **Action 2** San Isidro starts a new product line in both the supermarket and the garden market. The control over these actions should be a review of the numbers by both the manager of the cooperative and the shop manager. They should analyse the evolution of the sales for these new goods and see if they are getting profit out of it. If it is not the case, they should try to low the prices or to put these products in a more exclusive way in the facilities and to publish more the new offer of the cooperative. They also could encourage their employees to start making force into the clients to sell the plants or the gluten free products.

In **Action 3**, the responsible managers must control the prices of the new products comparing them to other supermarkets and garden shops, they should review them online and offline, in the actual shops. The employees selling the products should gather information from the customers about the prices and transfer it to the managers in order to have a 360º vision of it.

In **Action 4**, the manager of the cooperative is responsible of implementing the changes needed in the software of the company to make the card practicable. After that he is the one that decides when is finally launching the card.

Once the card is 100% operative, he must control the number of cards delivered and the number of discounts used by the customers. If the software has some bugs, he must ask for technical support. After 3, 6 and 12 months of implementing the card, he must take a look on the improvement of sales in both markets and the number of clients using the card on a regular basis.

In **Action 5**, the manager of the cooperative should be the one dealing with the schools but not the one making all the workshops and the rest of the activities. For that, there will be an employee responsible of that. However, the manager should supervise some of them and he should review the number of activities done monthly and see if they are enough and well done.

In **Action 6**, the manager of the cooperative is the one that has to publish this action for the farmers to know it. After that, the actual control is to know how much courses had been done and how much had been funded. At last, the shop manager should transfer

the information of discounts used by the partners of the cooperative after having done the course.

In **Action 7**, the manager should publish at least one post for each action and advertise it in Facebook, and he should support the actions with less impact with more post and heavier investments in them in order to make the followers know about them. The ads in Facebook are very flexible and it is very easy to use. Facebook is the one that takes care of the budget the manager assigns for ads. The manager is the responsible of setting the right target (location, age, season).

## 8 BUDGET

In this part of the marketing plan, it is displayed a table with the actions, the resources needed for them and which is the cost of each and in total. A further explanation will be given below the table. It is important to know the actual costs of the actions in order to have a better picture in mind of what is being said.

Table 2. BUDGET TABLE

ACTION	RESOURCES	COST
<b>ACTION 1</b> Start a section in the supermarket for gluten free products	Deal with Orgran for 12 months for gluten free products and a stand. Products for free tasting provided by the supplier	$200 \times 12 =$ 2.400€
<b>ACTION 2</b> Flowers and decorative plants	Deal with Flores El Cale for 12 months for decorative plants	3.000€
<b>ACTION 3</b> Set prices for the new products	Manager and employees from the cooperative	0€
<b>ACTION 4</b> Loyalty card	Software update New cards Discounts	$1000 + 100 +$ $4000 =$ 5.100€
<b>ACTION 5</b> Partnering with primary schools	Deals with schools Two employees for the presentations and workshops Discounts for schools	$100(x6) + 500$ $=$ 1.100€
<b>ACTION 6</b> Founding phytosanitary course	Funds for funding the course creating a discount	$150 \times 25 =$ 3.750€
<b>Action 7</b> Facebook	Facebook page and Facebook Ads Manager of the cooperative	1.000€

TOTAL BUDGET = 15.850€

For **Action 1** we expect a deal with Orgran of 200€ on products each month during a year and they will provide us for free some specific products to try out in the cooperative for a week after signing the deal. The stand will be provided by the supplier too. So, the total cost of this action is 2.400€.

In **Action 2**, the deal with the plant supplier will cost around 3.000€, which means 250€ worth plants and flowers each month. No more employees will be needed so that's the total cost of the action.

In **Action 3**, there's not an actual resource needed apart from the job from the managers and that doesn't require extra money or extra hours so the cost will be 0€

In **Action 4**, the loyalty card needs an updated in the software expected to cost 1.000€, physics card worth 100€ and then the discount expected to be delivered will be 4.000€. Now the supermarket turnover is around half a million euros and for the plants is the same too. It is expected that at least 20% of the clients will use the card meaning this that 2.000€ will be discounted from 100.000€ of turnover in the supermarket and the same for the garden market. A total of 4.000€ will be discounted and that will be taken from the income of the cooperative. The total cost of this action will be 5.100€.

In **Action 5**, it is needed an almost full working day from two employees and that means around 50€ each for each activity and then the discounts for the schools will be around 500€ depending on the number of products they get and the fare they will be given by the manager of the cooperative. This, at the end, means a total cost of around 1.100€ for 6 activities in 6 months for 6 different schools.

In **Action 6**, It is expected that 150 people want to do the course when it's funded. Now the average of courses done a year is two with around 50 persons. With this action the number of people interested will rise 50% meaning that at least one more course will be taught. The cost of the course is 50€ and funding half of it with discounts in the agriculture market will cost 3.750€.

For **Action 7** the resources needed are 1.000€ for Facebooks ads that the page will manage with the settings of the cooperative explained above in the control part.

In total, the marketing plan is estimated to cost a total of 15.850€.

## 9 TIMETABLE

Table 3. TIMETABLE

	2018				2019								
	September	October	November	December	January	February	March	April	May	June	July	Agost	
ACTION 1	DEAL WITH ORGRAN				SELLING PERIOD								
ACTION 2	DEAL WITH FLORES EL CALÉ				SELLING PERIOD								
ACTION 3	SET PRICES FOR NEW PRODUCTS			REVISE PRICES			REVISE PRICES				REVISE PRICES		
ACTION 4	SOFTWARE UPDATE	TRY OUTS	EXCLUSIVE ACCESS FOR PARTNERS			GENERAL PUBLIC ACCESS							
ACTION 5	LOOKING FOR A DEAL WITH SCHOOLS	ACTIVITY 1	ACTIVITY 2	ACTIVITY 3	ACTIVITY 4	ACTIVITY 5	ACTIVITY 6	ACTIVITY 7	ACTIVITY 8	ACTIVITY 9			
ACTION 6			1st COURSE FUNDED			2nd COURSE FUNDED				3rd COURSE FUNDED			
ACTION 7	ANNOUNCEMENT FOR THE NEW PRODUCT LINE	PROMOTE NEW LOYALTY CARD	PROMOTE COURSE	SHOW ACTIVITIES WITH SCHOOLS	SHOW ACTIVITIES WITH SCHOOLS	SHOW ACTIVITIES WITH SCHOOLS	PROMOTE COURSE	SHOW ACTIVITIES WITH SCHOOLS	SHOW ACTIVITIES WITH SCHOOLS	SHOW ACTIVITIES WITH SCHOOLS	PROMOTE COURSE	REVIEW OF THE WHOLE YEAR	



## **10 PROSPECTS**

After explaining all the actions here, it is going to be shown the expectations of income and profit from the plan making assumptions of what is going to happen in the near future. It has to be taken into account that only few actions involve directly rising the income of the cooperative. These actions are **Action 1**, **Action 2** and **Action 3**, whereas the rest of them support the commercial activity of the cooperative.

Right now, both the garden market and the supermarket represent altogether around 30% of the income of the cooperative, close to 1 million euros in sales. The regular trend is to achieve the 35% next year. With the increase in the sales with both actions and with the new loyalty card the goal is to be around 40%, more than 1.2 million euros in revenue. So, 200.000€ must be gained during the year with these actions.

With more than four thousand members in the cooperative, it is fair to say that at least 25% of them will want to get the new card and try the new products. With a thousand of cards delivered the amount of money spend by them will be around 300€ a year (25€ a month) at least per member. But, to make it fairer, the amount that will be counted because of the loyalty card will be 200€ per member (It is supposed that the members are spending money in the cooperative before the card arrives). Apart from that, at least 100 people are expected to try the new card, expecting that they spend 150€ because for of the late arrival.

Altogether, the loyalty card, supported with the new products offered and supported by the rest of the actions, will collect 215.000€ matching the expectations set in the marketing plan.

## **11 CONCLUSION AND RECOMMENDATIONS FOR THE FUTURE**

To sum up, the cooperative is nowadays in a difficult situation, their main business model is dying, and they are right now in a process of diversification. With this plan, the aim is to support this process and to give some future vision for both the manager and the counsellors. All the actions are focused on that, fuelling this process is key right now even if that means losing money in the short time. Also, it has to be taken into account that San Isidro is and will be a cooperative, meaning this that they have more social focus than economic however the viability of the company needs to be secure. San Isidro is in a good spot in the industry when comparing it with the rest of the players in the sector and they have to take advantage of it.

As final recommendations for the president of the cooperative and the counsellors, I will encourage San Isidro to leave gradually the agricultural sector in terms of massive production and massive service offer. Also, in order to keep on the change of business model, I advise the cooperative to revise their opening hours. The schedule right now is thought for agricultural people and not for people that goes to the supermarket and the garden shop. So, for that I recommend extending the time the cooperative is open to 9 at night and to open on Sunday mornings.

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